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SUMMARY

ONLINE SOCIAL NETWORKS AS AN EMERGING OPPORTUNITY FOR ENTREPRENEURSHIP: A STUDY OF THE MUSIC INDUSTRY

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Principal Topic

The explosion in use of online social networks is an important phenomenon that provides a new set of entrepreneurial opportunities. Emerging musicians have been among the first to exploit this new market opportunity – and indeed, many have used it successfully. A recent study Carter (2009) reveals that artists who earned the most returns had an online presence on multiple social online sites and services such as MySpace and Facebook. These web pages are leveraged to build fan bases and develop different types of revenue streams. Yet, little is currently known about discovery or exploitation of such opportunities.

We adopt Shane and Venkataraman's (2000) framework to investigate (a) which musicians discover different types of opportunities in this emerging digital landscape and (b) how those musicians successfully exploit different kinds of opportunities.

Method

The current paper adopts an interpretivist approach best described as theory elaboration. We collected data from multiple sources. We organized four industry Digital Music Think Tanks in cooperation with the Australian Music Council. Each was a day-long event with the aim of capturing perspectives and best practice examples from participants. We supplemented these think tanks with a series of 19 interviews with artists of various genres and managers at major labels. This data was triangulated with secondary data - industry and government reports concerning the music industry and reports and statistics from online social networks.

Results and Implications

Currently, we are in the process of systematically analyzing the data. Some preliminary themes have emerged: Musicians can be characterized into three groupings according to both their discovery and exploitation of opportunities presented by online social networks: (a) *old school artistic purists* who are passionate musicians who will not sell their souls to business and resist online activities (b) *reluctant accepters* whose primary interest is music, but who acknowledge the role online activity plays in the modern music industry, actively use some forms of social media, but often see it as a distraction from making music, and (c) *new-age enthusiasts* who revel in the business side of music and actively utilize on-line engagement with fans.

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